



Date: Tuesday, January 28<sup>th</sup>, 2025

To: Honorable Mayor and Members of the Assembly of  
City and Borough of Wrangell, Alaska

From: Mason F. Villarma, *Borough Manager*

RE: Borough Manager's Report

### Length of Service Milestones

The Borough is proud to recognize the following employees who have reached new length of service milestones. Thank you for your contributions to the community and dedication to serving others.

- |   |                     |
|---|---------------------|
| • Dorianne Sprehe, Fire/Medic Trainer:              | 14 Years of Service |
| • J.C Gillen, MSC Leadman:                          | 9 Years of Service  |
| • Lane Fitzgerald, P&R Light Maintenance Lead:      | 4 Years of Service  |
| • Calleigh Miller, Harbor Administrative Assistant: | 3 Years of Service  |
| • David McHolland, WML&P Diesel Mechanic:           | 2 Years of Service  |

### Borough Hiring Status

The following employment opportunities exist within the Borough. For information about any of the positions below, please visit [www.wrangel.com/jobs](http://www.wrangel.com/jobs):

- Electric Utility Superintendent – Open Until Filled
- Maintenance I, II, and III (Two Positions) – Open Until Filled
- Property and Sales Tax Clerk – Open Until Filled
- Police Officer – Open Until Filled
- Human Resources Manager/Executive Assistant – Pending Assembly Approval
- Fire/EMS Administrator – Pending Assembly Approval

Additionally, the Borough is excited to announce the hire of Brandt Petersen and JR Meek, who will serve as Public Works Maintenance I Specialist and Marketing and Community Development Coordinator, respectively.

## Sewer Outfall Repair

The Borough has settled with Seine Vessel's Reserve, the insurance pool providing coverage for the vessel that damaged the Borough sewer outfall. The estimated cost of repairs is \$60,000-\$70,000. [The bid opening](#) will take place at 2pm on Tuesday,



January 28<sup>th</sup>, and the Borough will report the bid tabulation at the meeting in which this report is read.

Additionally, the Borough will be pursuing mitigation measures to ensure that the sewer outfall line is safeguarded from damage in the future. Mitigation may take the form of a new sign, updating NOAA charts, and marking the outfall with buoys identifying the outfall area as a "No Anchor Zone".

*The damaged sewer outfall is shown to the right in the sonar picture above.*

## IBEW Police Department Negotiations

The Borough is preparing for upcoming Police Department labor negotiations set to begin in February. As a reminder, on July 24, 2024, the Alaska Labor Relations Agency conducted an election in which Police Department employees—excluding the Police Chief—voted unanimously to unionize under the IBEW. The Borough will negotiate a standalone agreement that aligns with the overarching Collective Bargaining Agreement. Two Assembly members will be appointed to the Borough's negotiating team, which will also include myself and the Finance Director.

## Upcoming Work Sessions

- Tuesday, February 25<sup>th</sup>, 2025 – Entitlement Lands/Timber 2025
- Tuesday, March 11<sup>th</sup>, 2025 – Fee and Rate Schedule Analysis
- Monday, March 24<sup>th</sup>, 2025 – Joint School Board Work Session (Round 2)
- Wednesday, May 14<sup>th</sup>, 2025 – Budget Work Session

## Alaska Airlines Meeting

During a routine check-in visit, the Borough met with KC Hostetler and Scott Habberstad of Alaska Airlines. They expressed their appreciation for the Borough's continued support of Essential Air Service (EAS) funding, which plays a crucial role in subsidizing air service to and from Wrangell. The meeting also covered key topics, including a terminal flow assessment, an upcoming "Known Shipper 101" event, and the Borough's evolving cargo needs.

## FY 2026 Budget Development Calendar

The Borough has kicked off its FY 2026 Budget Development process. Workbooks have been sent to Department Directors. A complete schedule containing key deadlines is displayed below:

### JANUARY:

- Wednesday, January 15                      New Director Budget Orientation/Best Practices
- Friday, January 17                              Budget Workbook Sent to Department Directors

### FEBRUARY:

- Friday, February 7                              General Fund Operating Budgets Due
  - Friday, February 14                              Special Revenue Operating Funds Due (MY)
  - Friday, February 21                              Enterprise Operating Funds Due (MY)
- Maintenance & Interdepartmental Charges Due (Tom, Steve, and Lucy)

### MARCH:

- Monday, March 3 - 17                          Capital Projects Final Reappropriation Analysis
  - Monday, March 3 - 31                          Draft Operating/Capital Budget Compiled
- Manager/Finance Director Review and Director Meetings

### APRIL:

- Tuesday, April 1- 31                              FY 2026 WPSD Budget Transmittal to CBW (*Statutorily required May 1<sup>st</sup>*)
- Tuesday, April 1-31                              WPSD Local Contribution Approval

### MAY:

- Wednesday, May 14                              Assembly Budget Work Session
  - Draft Budget Sent to Assembly
  - Thursday, May 22                                  Budget Revision Work Session (if needed)
  - Tuesday, May 27                                      FY 2026 Official Budget Public Hearing (Regular Assembly Meeting)
- FY 2026 Budget Adoption**

\*The school budget and local contribution must be approved within 30 days of submittal of the district's budget. Action by the Assembly will change based on when the budget is submitted to the Borough. The school budget is statutorily required to be submitted by Thursday May 1<sup>st</sup> 2025.

## Emergency Operations Plan - Update

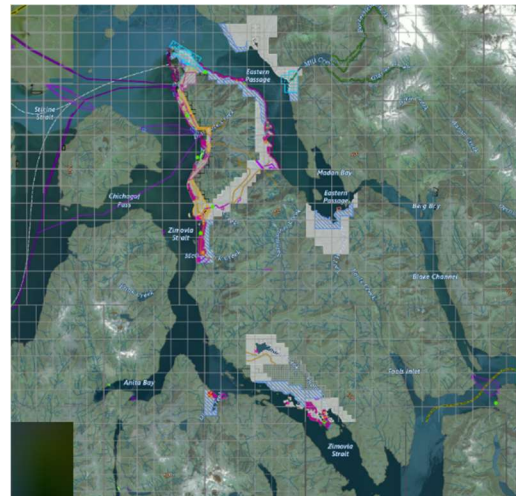
The Borough has initiated a comprehensive review of the newly drafted Emergency Operations Plan (EOP). The draft plan is available for public review at [wrangellplanning.com](http://wrangellplanning.com), and Borough officials, employees, partners, and other stakeholders are encouraged to provide feedback by submitting comments to [clerk@wrangell.com](mailto:clerk@wrangell.com). To ensure transparency and community engagement, the

Borough plans to host a public event to address questions and concerns. For convenience, the current draft of the EOP has also been included in this agenda packet.

**Municipal Entitlement Lands – Trust Land Office Partnership**

On January 17<sup>th</sup>, 2025, Borough Administration and Executive Director at the Trust Land Office (TLO), Jusdi Warner, executed a Memorandum of Understanding that frames up a key partnership driven by the mutual interest of developing our lands that are in close proximity to one another. The partnership aims to accomplish the following:

- 1) Timber Harvesting Planning and Execution
- 2) Timber Supporting Infrastructure Investment
- 3) Attraction of Value-Add Private Partners
- 4) Subdivision Development



*Above is a screenshot from Alaska Mapper. All entitlement lands the Borough possesses can be identified by going to the Land Estate Map*

Next week, the steering committee will convene for a kick-off meeting to begin defining our 2025 objectives and long-term strategic goals. Borough Administration has been collaborating closely with the Governor’s Office to secure support for expediting the patent processing of our entitlement lands. Additionally, we are working to encourage the State of Alaska to prioritize Wrangell on their 5-year Schedule and pool lands into our partnership with the Trust Land Office (TLO). We are also pursuing a capital appropriation for the Wrangell Timber Infrastructure and Deepwater Port Development Project. As part of this effort, the Borough is excited to engage local and regional logging companies, along with the Alaska Forest Association (AFA), to help revitalize this vital industry.

**2025 Cruise Ship Calendar Disruption**

Last week, the Borough was notified by Cruise Line Agencies of Alaska (CLAA) that the *Silver Nova*, which had been scheduled for seven calls at the Port of Wrangell in 2025, has rerouted to the Port of Klawock. This change is expected to result in an estimated loss of approximately 4,400 passengers. The Borough is actively exploring strategies to offset these impacts and safeguard the future stability of Wrangell’s cruise ship industry,



recognizing its vital role in the continued growth of the local tourism economy. Such strategies will include: 1) Incentivizing tour operator expansion 2) enhances marketing of the Port of Wrangell 3) and Networking directly with key cruise line partners.

**Congressional Directed Spending (CDS) / CAPSIS**

The deadlines for Congressionally Directed Spending (CDS) at the federal level and CAPSIS at the state level are fast approaching on February 14, 2025. These programs provide critical opportunities for securing federal and state earmarks for specific projects. Borough leadership is actively working to compile and submit funding requests to meet these deadlines.

Currently, the Borough's FY 2025 CDS requests, submitted by Senator Murkowski, remain pending in Congress. As a result, key projects—including the Wastewater Treatment Plant (\$10M), Public Safety Building (\$2.438M), and East Channel Emergency Access Road (\$2.5M)— are still under consideration.

Looking ahead, the Borough will strategically develop and submit FY 2026 CDS and CAPSIS requests in alignment with the State and Federal Priorities approved by the Borough Assembly. Below is the current proposed list of priorities for consideration:

State Priorities (RES 1-25-1903):

Priority	Project Name
1	Wastewater Treatment Plant Disinfection Upgrades
2	Inner Harbor Replacement
3	Wrangell Timber Infrastructure and Deepwater Port Development Project
4	Wrangell Recreation Complex Roof Replacement
5	McKinnon Street Water and Sewer Utility Replacement
6	Public Safety Building Life, Health, Safety and Mechanical Repairs
7	Petroglyph Beach Visitor Platform Repairs and Restroom Upgrades
8	Downtown Waterfront Planning
9	Wrangell SEAPA Substation Transformer Upgrades

Federal Priorities (RES 1-25-1904)

Priority	Project Name
1	Wrangell Harbor Basin Dredging; Support for Programmatic Funding for the US Army Corps of Engineers Maintenance Dredging Program
2	Wrangell Drinking Water Flume Replacement
3	Wrangell Deepwater Port Subdivision Utility Development

- 4 Secure Rural Schools; Support for Programmatic Extension
- 5 Sháchk Kináa Deiyí Federal Land Access Trail Extension
- 6 Shoemaker Park Highway Safety and Federal Land Access Improvements

A final State and Federal Legislative briefing packet will be compiled for Borough Officials and Administration to reference in the lobbying process.

#### **FY 2025 and FY 2026 Heavy Equipment CDS Request via Alaska Municipal League**

In addition to the Congressionally Directed Spending (CDS) requests pending for FY 2025—covering the Wastewater Treatment Plant, Public Safety Building, and East Channel Emergency Access Road—the Borough has also submitted a request for \$250,000 to purchase a new garbage truck, which has been included in the final Senate Bill. If approved, this funding will require a 20% local match of \$50,000. The Borough previously acquired a garbage truck at a total cost of \$296,027, fully funded through the Local Government Lost Revenue Grant from the State of Alaska's Department of Commerce, Community, and Economic Development (DCCED).

For FY 2026, the Borough has submitted a funding request for a smooth drum roller to support in-house road resurfacing efforts. This initiative takes a fiscally responsible approach to improving surface transportation infrastructure, ensuring it remains safe and durable. With the Borough's gravel road network expanding—through projects such as the construction of 5th and 6th Avenue, the Mt. Dewey FLAP project, and Alder Top Subdivision—investing in this equipment is a strategic move to optimize local road construction and maintenance funds effectively.

#### **Wrangell Cooperative Association (WCA) – Tribal Partner Update**

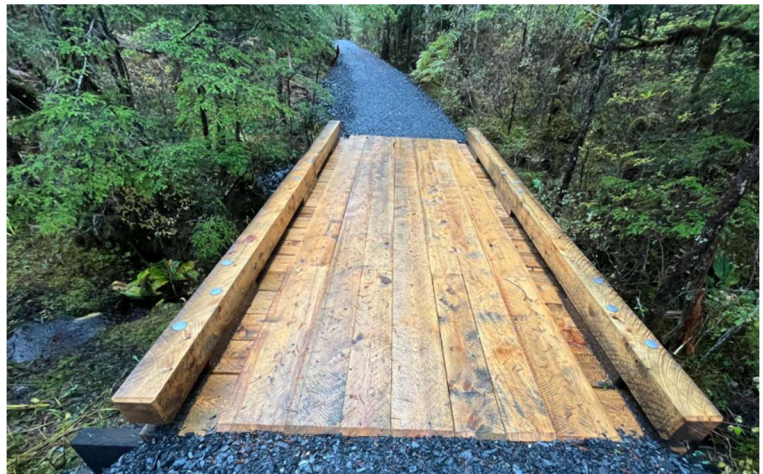
The Borough recently met with Esther Ashton, Executive Director, and Ed Rilatos, Board President, to discuss the proposed sale of Lot C in the Health Care Subdivision. The property appraisal was completed at a value of \$2.00 per square foot, and surveying is scheduled to take place in the coming weeks. Final negotiations and the conveyance of the property are expected to be presented at the March 25th regular Assembly meeting.

Additionally, the Wrangell Cooperative Association (WCA) has engaged the Borough in discussions about partnering with Tlingit & Haida to establish an Early Head Start and childcare program in Wrangell. As these discussions progress, we will continue to provide updates on collaborative efforts.

Furthermore, the Old Wrangell Medical Center has been identified as a potential opportunity for program development to support these initiatives, and its feasibility will be explored as part of our ongoing planning efforts.

### Capital Projects Update

Staff are actively managing over thirty capital projects currently in various stages of planning, design, and construction. With the successful completion of recent projects such as the Solid Waste Transfer Station, 5th and 6th Avenue improvements, and the Mt. Dewey Trail Extension, the Borough is now shifting focus to the next phase of infrastructure developments.



*Top Left and Right: Mt. Dewey Trail Extension Project/ Bottom Left: Solid Waste Transfer Station Loading Dock/Bottom Right: 6<sup>th</sup> Avenue Road Construction.*

### Water Treatment Plant Commissioning

The new Water Treatment Plant has entered the commissioning phase, marking a significant milestone in the project. Administration extends its appreciation for the outstanding cross-departmental collaboration that has ensured a seamless transition into commissioning. The project continues to progress on budget and on schedule.



*Staff manually load over 100 tons of sand into DAF bays for commissioning at the new Wrangell Water Treatment Plant.*

### Sewer Outfall Repair

The Borough anticipates launching the Sewer Outfall Repair Project pending bid submissions that align with budget expectations.

### City Park Pavilion Project

Following the completion of the Water Treatment Plant, McG Constructors will shift their efforts to the City Park Pavilion Project, funded through disaster assistance from the 2021 windstorm. Construction is scheduled to begin in spring 2025.



### High School Elevator Project

McG Constructors has also been awarded the contract for the High School Elevator Project, with work set to commence once their current Wrangell commitments are completed.

### St. Michaels Street Resurfacing

Surveying for St. Michaels Street will take place in the coming weeks, with the project expected to go out to bid in March. This project will include a full resurfacing and recapitalization of underground infrastructure. The Assembly should anticipate a budget amendment for this project, as well as a potential sole-source request to engage an A&E firm for design services.



*St. Michaels Street (City Market Hill) will be the Borough's first road priority in the FY25 budget cycle.*

### School Roof Reconstruction Project

In coordination with the Department of Education and Early Childhood Development (DEED), the Borough is planning the school roof reconstruction to minimize disruptions to school operations. All roof-related construction is scheduled for summer 2025, with remaining project components slated for the summer 2026 construction season.

### Reservoir Bypass and Dam Safety Upgrades

Progress continues on the Reservoir Bypass and Dam Safety Upgrades Project. The solicitation process for the Reservoir Bypass will commence following the completion of the Water Treatment Plant.

### Additional Project Updates

Many other capital projects are currently in progress. A comprehensive update will be provided by the Capital Projects Director during the next Assembly meeting.

### **Data Center – Cold Storage**

The Borough has been working with the Economic Development Administration's (EDA) regional office in Seattle to gain approval of a data center to be implemented into the Wrangell Cold Storage Facility. The Cold Storage was funded in part by EDA back in 2006. Per the terms of the grant agreement, the Borough is not allowed to sell, lease, or relinquish interest of the asset without approval of EDA until the terms expire in May of 2026. Additionally, the provisions of the agreement prohibit a change in the permissible use of the facility without prior written consent of EDA. The Borough is working through approval of a Master Lease Agreement to submit to EDA. We are close to the final stages of approval at which point the facility will be viable for a data center.

### **Closing Comments**

The Borough continues to make meaningful progress on projects and initiatives for the Wrangell Community. Staff have been hard at work to sustain service and improve programming. Administration continues to focus its time on supporting economic development opportunities, engaging in the legislative process, and launching the budget development process for FY 2026.

As always, I am at the Assembly's disposal. I look forward to continued forward momentum across the organization.

Sincerely,

*Mason F. Villarma*

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*Borough Manager*

